

**Supporting Statement
(Form 1096)
OMB # 1545-0108**

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Sections 408(i), 6041 through 6045, 6047, 6049, 6050A, 6050B, 6050D, 6050E, 6050H, 6050J, 6050N, and 6050P of the IRC provide for the filing of information returns to report the payment of certain types of income, mortgage interest, and IRA contributions. Regulation section 1.6041-1(a)(2) provides that the transmittal of paper Form 1097, 1098, 1099, 3921, 3922, 5498, and W-2G shall be made with Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

2. USE OF DATA

Filers use Form 1096 to transmit paper Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G to the Internal Revenue Service (IRS). The IRS uses this information to summarize, categorize, and process the forms being filed.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

This form is used by filers who transmit paper forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G. Filers transmitting these forms electronically would process through the Filing Information Returns Electronically (FIRE) System.

4. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

Not applicable.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Not applicable.

7. **SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)**

Not applicable.

8. **CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS**

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form 1096.

In response to the *Federal Register* notice dated August 22, 2014 (79 FR 49845), we received no comments during the comment period regarding Form 1096.

9. **EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS**

Not applicable.

10. **ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

11. **JUSTIFICATION OF SENSITIVE QUESTIONS**

A privacy impact assessment (PIA) has been conducted for information collected under this request as part of the "Payment Master File, PMF" and a Privacy Act System of Records Notice (SORN) has been issued for this system under IRS 24 030 CADE Individual Master File; 24 046 CADE Business Master File; 34 037 IRS Audit Trail and Security Records. The Department of Treasury PIAs can be found at <http://www.treasury.gov/privacy/PIAs/Pages/default.aspx> Title 26 USC 6109 requires inclusion of identifying numbers in returns, statements, or other documents for securing proper identification of persons required to make such returns, statements, or documents and is the authority for social security numbers (SSNs) in IRS systems.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

<u>Form</u>	<u>Number of Responses</u>	<u>Time per Response</u>	<u>Total Hours</u>
1096	5,640,300	0.23	1,297,269

Estimates of annualized cost to respondents for the hour burdens shown above are not available at this time.

We have reviewed the following regulation and have determined that the reporting requirements contained in it are entirely reflected on the form. The justification appearing in item 1 of the supporting statement applies both to this regulation and to the form. Please continue to assign OMB number 1545-0108 to this regulation.

1.6041-1(a)(2)

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, our *Federal Register* notice dated August 22, 2014 (79 FR 49845), requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any responses from taxpayers on this subject. As a result, estimates of these cost burdens are not available at this time.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The primary cost to the government consists of the cost of printing this form. We estimate that the cost of printing the form is \$76,925.

15. REASONS FOR CHANGE IN BURDEN

Based on projected filing figures of the Form 1096, identified in the 2014 *Publication 6961* (<http://www.irs.gov/pub/irs-pdf/p6961.pdf>), the number of respondents will increased to 5,640,300 for CY 2014. There has not been any reported change to the respondents in

previous information collection requests since 2000 and this increase of 280,457 burden hours is an adjustment in the Agency's estimate.

We are making this submission for renewal purposes.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

See attachment.

18. EXCEPTION TO THE CERTIFICATION STATEMENT

Not applicable.

Note: The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

OMB EXPIRATION DATE

We believe the public interest will be better served by not printing an expiration date on the form(s) in this package.

Printing the expiration date on the form will result in increased costs because of the need to replace inventories that become obsolete by passage of the expiration date each time OMB approval is renewed. Without printing the expiration date, supplies of the form could continue to be used.

The time period during which the current edition of the form(s) in this package will continue to be usable cannot be predicted. It could easily span several cycles of review and OMB clearance renewal. In addition, usage fluctuates unpredictably. This makes it necessary to maintain a substantial inventory of forms in the supply line at all times. This includes supplies owned by both the Government and the public. Reprinting of the form cannot be reliably scheduled to coincide with an OMB approval expiration date. This form may be privately printed by users at their own expense. Some businesses print complex and expensive marginally punched continuous versions, their expense, for use in their computers. The form may be printed by commercial printers and stocked for sale. In such cases, printing the expiration date on the form could result in extra costs to the users.

Not printing the expiration date on the form(s) will also avoid confusion among taxpayers who may have identical forms with different expiration dates in their possession.

For the above reasons we request authorization to omit printing the expiration date on the form(s) in this package.